

SENATE BILL

INTRODUCED BY D. RYAN

BY REQUEST OF THE GOVERNOR

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING LAWS RELATING TO EDUCATION; ESTABLISHING A LOAN FORGIVENESS PROGRAM FOR CERTAIN TEACHERS AND CERTIFIED PERSONNEL; PROVIDING A SOURCE OF FUNDING FOR SCHOOL FACILITY IMPROVEMENTS; PROVIDING THAT MINERAL ROYALTIES PURCHASED THROUGH A LOAN FROM THE COAL SEVERANCE TAX PERMANENT FUND IN EXCESS OF THE AMOUNT NECESSARY TO REPAY THE LOAN BE DEPOSITED IN A SCHOOL FACILITY IMPROVEMENT ACCOUNT RATHER THAN THE GUARANTEE ACCOUNT; REVISING THE MORATORIUM ON NEW SCHOOL DISTRICTS TO ALLOW CREATION UNDER CERTAIN CIRCUMSTANCES OF A HIGH SCHOOL DISTRICT FOR THE PURPOSE OF EXPANDING AN ELEMENTARY DISTRICT INTO A K-12 SCHOOL DISTRICT; PROVIDING FULL-TIME ANB FUNDING TO PUBLIC SCHOOL DISTRICTS FOR STUDENTS VOLUNTARILY ENROLLED IN A FULL-TIME KINDERGARTEN PROGRAM OFFERED BY A DISTRICT; PROVIDING A MECHANISM FOR ADJUSTING THE PREVIOUS YEAR'S GENERAL FUND BUDGET TO DETERMINE THE GENERAL FUND BUDGET LIMITATION FOR THE CURRENT YEAR; CHANGING THE METHOD FOR CALCULATING THE BASIC ENTITLEMENT FOR APPROVED AND ACCREDITED JUNIOR HIGH AND MIDDLE SCHOOLS; INCREASING THE QUALITY EDUCATOR PAYMENT; PROVIDING INFLATIONARY INCREASES TO SCHOOLS; REVISING THE GOVERNOR'S POSTSECONDARY SCHOLARSHIP PROGRAM; AMENDING SECTIONS 17-6-340, 20-1-301, 20-3-205, 20-6-104, 20-7-117, 20-9-306, 20-9-308, 20-9-311, 20-9-313, 20-9-314, 20-9-327, 20-26-602, AND 20-26-603, MCA; REPEALING SECTIONS 20-26-611, 20-26-612, AND 20-26-613, MCA; AND PROVIDING EFFECTIVE DATES AND AN APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

WORKER worker
NEW SECTION. Section 1. Quality educator loan forgiveness program. There is a quality educator
loan forgiveness program administered by the board of regents through the office of the commissioner of higher
education. The program must provide for the direct repayment of educational loans of eligible workers quality educators
in accordance with policies and procedures adopted by the board of regents in accordance with [sections 1

APPROVED BY COMM ON
EDUCATION & CULTURAL RESOURCES

SENATE BILL NO. 152

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BY REQUEST OF THE GOVERNOR

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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. ^{worker} ~~Quality educator~~ loan forgiveness program. There is a ^{worker} ~~quality educator~~ loan forgiveness program administered by the board of regents through the office of the commissioner of higher education. The program must provide for the direct repayment of educational loans of eligible ^{workers} ~~quality educators~~ in accordance with policies and procedures adopted by the board of regents in accordance with [sections 1

1 through 6,

2

3 **NEW SECTION. Section 2. Definitions.** For purposes of [sections 1 through 6], unless the context
4 requires otherwise, the following definitions apply:

5 (1) "Education cooperative" means a cooperative of Montana public schools as described in 20-7-451.

6 (2) "Educational loans" means all loans made pursuant to a federal loan program, except federal parent
7 loans for undergraduate students (PLUS) loans, as provided in 20 U.S.C. 1078-2.

8 (3) "Federal loan program" means educational loans authorized by 20 U.S.C. 1071, et seq., 20 U.S.C.
9 1087a, et seq., and 20 U.S.C. 1087aa, et seq.

10 (4) (a) "Quality educator" means a full-time equivalent educator, as reported to the superintendent of
11 public instruction for accreditation purposes in the previous school year, who:

12 (i) holds a valid certificate under the provisions of 20-4-106 and is employed by an entity listed in
13 subsection (4)(b) of this section in a position that requires an educator license in accordance with administrative
14 rules adopted by the board of public education; or

15 (ii) is a licensed professional under 37-8-405, 37-8-415, 37-11-301, 37-15-301, 37-23-201, 37-24-301,
16 or 37-25-302 and is employed by an entity listed in subsection (4)(b) to provide services to students.

17 (b) For purposes of subsection (4)(a), an entity means:

18 (i) a school district;

19 (ii) an education cooperative;

20 (iii) the Montana school for the deaf and blind, as described in 20-8-101; and

21 (iv) a state youth correctional facility, as defined in 41-5-103.

22 (5) "School district" means a public school district, as provided in 20-6-101 and 20-6-701.

23
24 **NEW SECTION. Section 3. Critical quality educator shortage areas.** (1) The board of public
25 education, in consultation with the ~~office of public instruction~~ ^{Dept of Labor}, shall identify:

26 (a) geographic regions of the state that are impacted by critical ~~quality educator~~ ^{worker} shortages; and

27 (b) specific certification or endorsement areas that are impacted by critical ~~quality educator~~ ^{worker} shortages.

28 (2) ~~Quality educators~~ ^{A SPECIFIC BLANKET} working in an impacted geographic region or an impacted certification or

29 ~~endorsement area~~ ^{IS} are eligible for repayment of all or part of the ~~quality educator's~~ ^{workers'} outstanding educational loans

30 existing at the time of application in accordance with the eligibility and award criteria established under [sections

5

1 1 through 4.

2

3 **NEWSECTION. Section 4. Loan repayment assistance.** Loan repayment assistance may be provided
 4 on behalf of a quality educator who:

5 (1) is employed in a geographic region described in [section 3(1)(a)] or in a ^{specific occupation} ~~certification or endorsement~~
 6 ~~area~~ described in [section ³ ~~3~~(1)(b)]; and

7 (2) has an educational loan that is not in default and that has a minimum unpaid current balance of at
 8 least \$1,000 at the time of application.

9

10 **NEWSECTION. Section 5. Loan repayment assistance documentation.** (1) A ^{worker} ~~quality educator~~ shall
 11 submit an application for loan repayment assistance to the board of regents in accordance with policies and
 12 procedures adopted by the board of regents. The application must include official verification or proof of the
 13 applicant's total unpaid accumulated educational loan debt ^{or the type of loan} and other documentation required by the board of
 14 regents that is necessary for verification of the applicant's eligibility.

15 (2) A ^{worker} ~~quality educator~~ is eligible for loan repayment assistance for up to a maximum of 4 years. The total
 16 annual loan repayment assistance for an eligible ^{worker} ~~quality educator~~ may not exceed \$3,000. The board of regents
 17 may require an eligible ^{worker} ~~quality educator~~ to provide documentation that the quality educator has exhausted
 18 repayment assistance from other, federal, state, or local loan forgiveness, discharge, or repayment incentive
 19 programs.

20 (3) The board of regents may remit payment of the loan on behalf of the ^{worker} ~~quality educator~~ in accordance
 21 with the requirements of [sections 1 through 6] and policies and procedures adopted by the board of regents.

22
 23 **NEWSECTION. Section 6. Funding -- priorities.** (1) If the funding for [sections 1 through 6] in any
 24 year is less than the total amount for which ^{workers} ~~Montana teachers~~ qualify, the board of regents shall provide
 25 preference in the award of loan repayment assistance to ^{workers} ~~quality educators~~ working in the geographic regions that
 26 are most impacted by ^{worker} ~~quality educator~~ shortages identified as provided in [section ² ~~2~~].

27 (2) [Sections 1 through 6] may not be construed to require the provision of loan repayment assistance
 28 without an express appropriation for that purpose. [Sections 1 through 6] may not be construed to require loan
 29 repayment assistance for ~~school~~ years prior to [the effective date of this section].

30

1 **Section 7.** Section 17-6-340, MCA, is amended to read:

2 **"17-6-340. Purchase of permanent fund mineral estate.** The department of natural resources and
3 conservation may purchase the mineral production rights held by the public school fund established in Article X,
4 section 2, of the Montana constitution for fair market value. If the department of natural resources and
5 conservation purchases mineral production rights, any royalty payments received by the board that are not used
6 to reimburse the coal severance tax trust fund for the loan used for purchasing the mineral production rights must
7 be deposited in the guarantee school facility improvement account provided for in ~~20-9-622~~ [section 8]."

8
9 **NEW SECTION. Section 8. School facility improvement account.** There is a school facility
10 improvement account in the state special revenue fund provided for in 17-2-102. The purpose of the account is
11 to provide money to schools to implement the recommendations of the school facility condition and needs
12 assessment and energy audit conducted pursuant to section 1, chapter 1, Special Laws of 2005, for:

- 13 (1) major deferred maintenance;
14 (2) improving energy efficiency in school facilities; and
15 (3) critical infrastructure in school districts with changing student populations.

16
17 **Section 9.** Section 20-1-301, MCA, is amended to read:

18 **"20-1-301. School fiscal year.** (1) The school fiscal year begins on July 1 and ends on June 30. At least
19 the minimum aggregate hours defined in subsection (2) must be conducted during each school fiscal year, except
20 that 1,050 aggregate hours of pupil instruction for graduating seniors may be sufficient ~~or a minimum of 360~~
21 ~~aggregate hours of pupil instruction must be conducted for a kindergarten program, as provided in 20-7-117.~~

22 (2) The minimum aggregate hours required by grade are:

23 (a) 360 hours for a half-time kindergarten program or 720 hours for a full-time kindergarten program, as
24 provided in 20-7-117;

25 (b) 720 hours for grades 1 through 3; and

26 ~~(b)~~(c) 1,080 hours for grades 4 through 12.

27 (3) For any elementary or high school district that fails to provide for at least the minimum aggregate
28 hours, as listed in subsections (1) and (2), the superintendent of public instruction shall reduce the direct state
29 aid for the district for that school year by two times an hourly rate, as calculated by the office of public instruction,
30 for the aggregate hours missed."